



**Office of the Interim  
Chief Executive Officer**  
735 Randolph Street, Suite 1900  
Detroit, Michigan 48226

December 16, 2021

The Honorable  
Board of Directors  
Great Lakes Water Authority

Dear Chairperson Zech and Directors:

**Regarding: Interim CEO's Report – December 16, 2021**

As 2021 comes to a close, it's hard not to acknowledge what a challenging year it's been. But even more important, I believe, is to acknowledge how we have pulled together to get through it all. GLWA Team Members, our Member Partners and our numerous stakeholders have worked side-by-side to solve problems, address emergencies, and begin to formulate big ideas that will help us improve our service to the region.

I am proud of this collaboration; it is our strength, and it is what will continue to move us forward.

Collaboration is the constant, driving force behind the work we are doing to improve resiliency in the regional system. It has been on full display as we have worked through the initial repair of the water main break on 14 Mile Road, and then as we developed a broader strategy to proactively extend the life of a 1.5 mile stretch of pipe on either side of the break by at least 50 years. This strategy was detailed in a virtual [news conference](#) held on December 9<sup>th</sup> in conjunction with Oakland County Water Resources Commissioner Jim Nash, COO-Water & Field Services Cheryl Porter, Farmington Hills Director of Public Services Karen Mondora, and HDR, our contractor.

I'm confident that collaboration is also a major reason that we have, once again, achieved an overall 90 percent satisfaction rating from our Member Partners in our annual Member Outreach Scorecard Survey.

And I believe it is a large part of what has helped us create a culture within our organization that encourages the GLWA team to do their level best for the people we serve. Each day, I see examples of this throughout our organization. Most recently, I was thrilled to learn that our Financial Services Area had earned the Distinguished Budget Presentation Award from the Government Finance Officers Association, which acknowledges an organization's commitment to transparency through meeting the highest principles of government budgeting. Congratulations FSA!

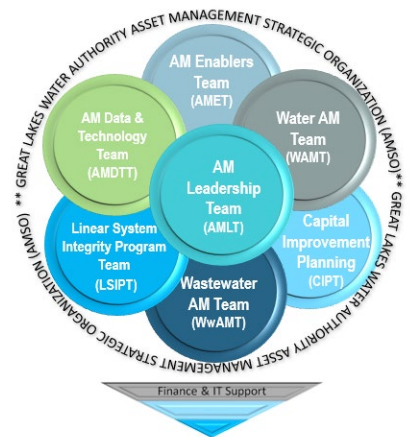
Thank you to everyone for your commitment to public service and to meeting the challenges that we have faced head-on throughout 2021.

I wish you all the happiest of holidays!

## PLANNING SERVICES

### *Asset Management Group (AMG)*

This past year, 2021, marks the Asset Management Strategic Organization's (AMSO) 5th anniversary as the governing body charged with the responsibility to provide strategic guidance over Asset Management activities across GLWA. The AMSO governance structure is comprised of six teams consisting of 70+ cross functional team members organized under the Asset Management Leadership Team that have been central to the progress of asset management within GLWA.



Since its formation in late 2016, the AMSO team has built a strong foundation for GLWA's asset management journey. Its objectives are to assist both the enterprise-wide and local asset management teams in developing programs to effectively manage assets. A commemorative slide deck, celebrating some of its significant achievements over the past five years, has been created and distributed to mark this historical milestone. Some of AMSO's key achievements over the past five (5) years include:

- A strong governance structure with cross functional team collaboration
- Assessment of GLWA's asset management maturity using an external, world-wide evaluation process
- Development of the Strategic Asset Management Plan and related guidance documents
- Development of an Asset Management Improvement Initiative Roadmap and implementation of several initiatives
- Development of Water and Wastewater Asset Management Plans (AMPS)
- A blue-ribbon panel consisting of several international speakers reflecting on their Asset Management Journey, Lessons Learned and Leadership Insights on Best Practices
- Development of best practices and standards in asset management
- Certification training in asset management and reliability maintenance
- Asset management information systems governance
- Business process development, change management, and communications
- Initiation of the Enterprise Asset Management system upgrade
- Initiation of the Linear Systems Integrity Program



## **PLANNING SERVICES** (continued)

### ***Capital Improvement Planning Group (CIP)***

The CIP Delivery team devoted the month of November to updating the second draft of FY 2023-27 CIP and addressing comments received internally, as well as from member partners. The period to share comments closed on November 19, 2021. The FY 2023-27 CIP Draft 2 was published the week of December 6<sup>th</sup> and will be presented to the Capital Planning Committee on December 14, 2021. Meanwhile, the CIP online portal enhancements have been initiated to improve the cost and schedule management and forecasting.



Last month, the Project Management Information System (PMIS) Round 1 proposal reviews were completed. Round 2 continues to progress with a diverse set of evaluators and advisors from various CIP delivery members. Special thanks to the Procurement and IT teams for leading this effort. The CIP group, with support from the program management consultant, AECOM, continued to work on the Program Management Plan (PMP) Chapter 10 Procurement. The goal of this Chapter is to strengthen and streamline the cross functional collaboration between the Procurement team and the core CIP Delivery Team. The team continues to establish the framework for the completed PMP Chapters rollout. Furthermore, a Roles Workshop is being planned for December. The purpose of this workshop is to share with the core delivery team members the details related to new roles, such as the Technical Management Leads and Life Cycle Project Managers.

Lastly, the CIP Delivery Team completed the development of its value statements, which are built on guiding principles related to talent, trust, and goals. The CIP value statements are the result of the hard work and sustained effort of our Value Development team. This team organized multiple workshops designed to identify the guiding principles and essential attributes of the CIP Delivery Team.

### ***Systems Planning Group***

The Member Outreach team spent time planning for 2022 Member Outreach meetings, which will continue to be virtual through at least January 2022. Each work group has been presented with the new dates, and calendar invitations are being sent. Please contact [outreach@glwater.org](mailto:outreach@glwater.org) for more information or to be added to a meeting roster if interested.

## **PLANNING SERVICES** (continued)

The Wastewater Analytics Task Force met on November 4, 2021. The meeting featured an overview of GLWA's Wastewater Asset Management Plan, developed to prioritize investments in asset maintenance and renewal based on criticality and condition.

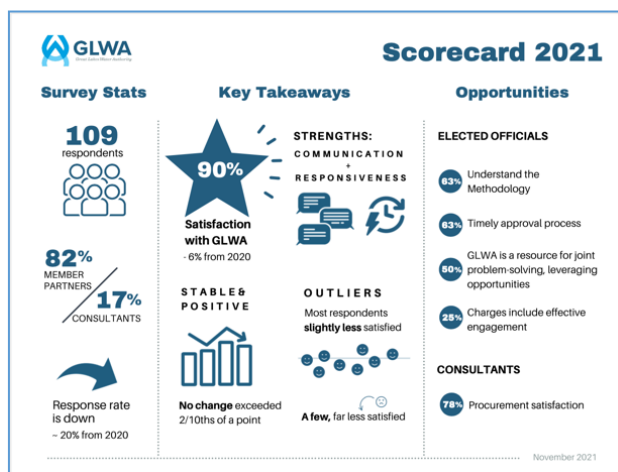
Consultant, CDM Smith, and GLWA's Systems Analytics and Meter Operations (SAMO) team presented an approach to reviewing flow volume data, peak flow rates and peak hydraulic grade levels for all contract holders once per year. The SAMO team provided an update on three (3) meter replacements in Wayne County's system and CDM Smith shared meter dye dilution test results for eight (8) meters.

The first two Fiscal Year 2023 Charges Rollout meetings took place in November. The Capital Improvement Plan (CIP) Rollout was held November 9, 2021, with 130 meeting participants. CIP Director Dima El-Gamal, PhD, PE, provided an overview of GLWA's FY2023-2027 draft Capital Improvement Plan, which was developed with the goal to leverage regional collaboration and planning to incorporate projects that promote improved redundancy, system resiliency, as well as health and safety, while conforming with master plan recommendations and meeting regulatory requirements.

On November 16, 2021, GLWA hosted 95 participants for the Units of Service Charges Rollout Meeting #2. GLWA's charges consultant, Bart Foster of the Foster Group, presented preliminary units of service data for FY 2023, as well as the wastewater SHAREs methodology update and preliminary SHAREs for FY 2023. All meeting materials can be found on the Member Outreach Portal.

Join us on Thursday, January 6, 2022, and Thursday, January 20, 2022, to learn about GLWA's proposed budget, revenue requirements and service charges for Fiscal Year 2023. Email [outreach@glwater.org](mailto:outreach@glwater.org) for more details.

The final One Water Partnership meeting of the year was hosted on November 30, 2021. The meeting kicked off with a charades-based icebreaker. We wrapped up the year by welcoming Tom Murray from Allen Park as a new One Water Co-Chair by majority vote and shared the 2021 Scorecard results. Members moved into virtual breakout groups to discuss GLWA's most important contributions made during its first six years, as well as aspirations for the next six years. The 2022 Water Model Contract Reopener process was presented, which will kick off with the first group of member partner meetings in March 2022.



## **PLANNING SERVICES** (continued)

<b>2022 Co-Chairs</b>		
<b>Representing</b>	<b>Co-Chair</b>	<b>Email</b>
Macomb County	Kevin Johnson	<a href="mailto:kjohnson@chesterfieldtp.org">kjohnson@chesterfieldtp.org</a>
Macomb County	Russell Miller	<a href="mailto:rjmiller@scsmi.net">rjmiller@scsmi.net</a>
Oakland County	Carrie Cox	<a href="mailto:coxc@oakgov.com">coxc@oakgov.com</a>
Oakland County	Jeff McKeen	<a href="mailto:jmcke@socwa.org">jmcke@socwa.org</a>
Wayne County	Don Rohraff	<a href="mailto:drohraff@livonia.gov">drohraff@livonia.gov</a>
Wayne County	Tom Murray	<a href="mailto:tmurray@cityoffallenpark.org">tmurray@cityoffallenpark.org</a>
Genesee County	Clyde Edwards	<a href="mailto:cedwards@cityofflint.com">cedwards@cityofflint.com</a>

The following dates are for the 2022 One Water Partnership meetings:

- March 3, 2022
- June 2, 2022
- September 29, 2022
- November 29, 2022

<b>November 2021 Member Outreach Meeting Attendance</b>	
<b>Meeting</b>	<b># Attended</b>
Wastewater Analytics Task Force (November 4)	37
Charges Rollout #1 – Capital Improvement Plan (November 9)	130
Charges Rollout #2 – Units of Service (November 16)	95
One Water Partnership Meeting (November 30)	108

### ***Systems Analytics and Meter Operations Group (SAMO)***

The SAMO Group continues progress working on wholesale water meter pit rehabilitation and meter replacement program. The scope of work includes construction work at 58-meter pits with metering and/or meter pit condition concerns. Last month coordination meetings were held with the City of Allen Park, City of Flint, and City of Melvindale. The planned work has been completed at 47 of the meter pit locations and is underway at another three (3) locations. Although this is a program, whereby it will continue in perpetuity, the target substantial completion date of this particular contract is November 2022. At the conclusion of the current contract, a similar contract will be needed to continue the work at the next set of 60-meter pits. The final design drawings and specifications are currently under review. The group is planning to finalize the bid documents for the next contract by January 2022.

The web servers for the Greater Detroit Regional Sewer System and Wholesale Automatic Meter Reading system portals have been successfully upgraded to RedHat servers. This will provide faster performance and improved security.



## **PLANNING SERVICES** (continued)

The group continues its progress working on the sewer meter upgrade and replacement program. Three meters (WC-S-1, WC-S-2, and WC-S-3) which serve Wayne County Rouge Valley Sewage Disposal District were upgraded and commissioned last month. The group will perform dye-dilution tests on the new meters. The data will be shared with Wastewater Analytical Task Force at a future meeting.

## **WASTEWATER OPERATING SERVICES**

### ***Wastewater Operations***

Water Resource Recovery Facility (WRRF) operations complied with the Water Quality Standards for November 2021.

### ***Maintenance***

Several team members in Wastewater attended and completed Certified Reliability training. This training is focused on asset management, equipment uptime, and best practices for preventative and predictive maintenance. The following team members have achieved “Certified Reliability Leader” status by passing training: Chad Cogar, Major Gresham, Daniel Alford, Matthew Krieger, Brooke Ballard, Robert King, Sajit George, Ned Yeager and Sarah Watkins, Congratulations Team!

The Incineration Team investigated an incinerator burner issue and found that the burner tunnels were filling with slag from incinerator operation. To address this problem in all incinerators, the Team scheduled an inspection of the operating incinerators’ burner tunnels. These burner tunnels were de-slugged as necessary and the incinerator returned to service. The current plan is to track the formation of slag in the tunnels so a schedule of how often the tunnels need to be inspected and de-slugged can be developed. With this cleaning effort, the burners will operate more efficiently.



*Some burner tunnels were severely impacted by slag and required cleaning. Burners will operate far more efficiently now that the tunnels have been de-slugged.*

## WASTEWATER OPERATING SERVICES (continued)

Due to an increasing frequency of required repairs, the Dewatering Team made the decision to completely rebuild the valve and piping system at the Complex B Thickeners sample station. The rebuild will maximize the reliability of the sample station by precluding the need to take it out of service to perform minor repairs. Additionally, it was identified that the other sample stations in the dewatering area are of a similar age and wear, so a schedule is being prepared to perform the same rebuild at all sample sinks in the dewatering area as a preemptive measure to reduce downtime.



*The age of the valves and piping were contributing to frequent leaks and need for repairs. The rebuild should prolong time between repairs minimizing overall downtime.*

The WRRF's Asset Management Team is leading the way on electrical substation scheduled maintenance. All of the WRRF's electrical substations are having maintenance performed on circuit breakers, transformers, and load break switches. The Asset Management Team coordinated with GLWA Operations to perform preventative maintenance (PM). Elevators, Labs, Offices, Cafeteria and HVAC equipment were shutdown briefly to open breakers necessary to perform PM's.



*Team member Alpesh Patel showing an electrical substation where preventative maintenance maximizes reliability.*

## **WASTEWATER OPERATING SERVICES (continued)**

### ***Process Control Center (PCC)***

#### *Control System Maintenance*

The WRRF Process Automation and Control System (PACS) maintenance team replaced two variable frequency drives (VFD) for the Central Offload Facility. These drives are used to control the speed of the motor that drives two screw feeders. The team also replaced ten uninterruptable power supplies which provide temporary power to the supported control systems in case of an outage.

#### *Control System Engineering*

The PACS Engineering Team held a series of control workshops for Contract 2002190 – Rehabilitation of Ferric Chloride Feed System at PS-1. This contract includes the installation and configuration of new control system equipment to monitor and control the ferric storage tanks, pumps, and valves. The new controls equipment includes network switches, remote I/O cabinets, and a workstation. The specifications for this contract were enhanced to better address the increasing complexity and resiliency requirements desired by GLWA. Workshops with cross-functional teams were added to discuss and configure the I/O database, control narrative, and graphics. A future workshop will be held on networking and cybersecurity.

#### *Power Metering Expert (PME) Software Training*

The PACS team is the project manager for the contract to upgrade the PME server. This server aggregates data from the power meters throughout GLWA. The contractor performed a series of classes to familiarize users with how to use the system to monitor the electrical distribution systems. Graphics alarms, reports, and dashboards were reviewed by attendees. Advanced user training was also performed. In these two-day classes, attendees configured custom dashboards and reports. They also were shown how to use the system to troubleshoot power quality disturbances.

### ***Laboratory***

A WP-278 audit study was completed, scoring 100%. The Lab has completed three audit sample studies in 2021 scoring 100%.



## **WASTEWATER OPERATING SERVICES** (continued)

There were no Lab National Pollutant Discharge Elimination System (NPDES) violations for October 2021.

We have onboarded three new Chemists, two now fully trained in the process testing area. We also completed training Chemists on eight new methods in November 2021. This will enable the Laboratory to have improved coverage going into 2022.

5S has been implemented in the supplies and storage areas.

### ***Engineering & Construction Engineering***

#### ***Design Engineering***

The Design Engineering Team is working on the following projects:

CIP 213006, Contract 2101915 – WRRF Improvements to Sludge Feed Pumps to the Dewatering Facilities. The RFP for design services for this project is anticipated to be provided to Procurement in December 2021. The project includes improvements to the sludge feed pumping system. Improvements to design for better operations and maintenance are planned.

CIP 211007, Contract 1904337 – Replacement of Bar Racks and Grit Collection System at Pump Station No.2. The contract was awarded, and the preliminary design is underway. The team is currently working on Engineering Design Abstracts to share with various stakeholders (Engineering, Operations, Maintenance, Plant Control, etc.) in the project to seek feedback in small bit-size chunks. Final design documents are currently anticipated approximately one year from now.

CIP 216011, Contract 2100239 – WRRF Structural Evaluation and Repairs RFP. The RFP for design-build services was transmitted to Procurement at the end of November 2021. We anticipate an advertisement in early January 2022. This project includes inspection, prioritization, and repairs of structural defects of various facilities at the WRRF.

JOC 53, Contract 2004328 – Complex II Ash Piping System Improvements. Ash is leaking from the piping to silos. Construction repair work is underway.

TOES 16T, Contract 2101608 – Belt Conveyor Fire Protection Study. This task is to review the feasibility of implementing recommendations made by AXA Group regarding conveyor belt fire protection. The first draft of the study is currently under review.

## **WASTEWATER OPERATING SERVICES** (continued)

TOES 20T, Contract 4000695 – Study to examine the performance of recently replaced pumps at Pump Station No. 2 and pumps 11 and 14.

### *Construction Engineering*

Contract 1903598 (Construction Manager at Risk for the Assessment and Rehabilitation of WRRF Yard Piping and Underground Utilities) was awarded to The Christman Company on January 15, 2021. This Contract is divided into two phases: pre-construction and construction. Currently, the contract is in the study and investigation stage of the pre-construction phase. A complementary design contract (1903601 – Yard Piping Engineering Services) was issued to CDM Smith Michigan in conjunction with Contract 1903598 to set forth the scope of the utility Condition Assessment Plan, prepare the design documents, and assist in the pre-construction and construction phases of Contract 1903598.

The scope also includes:

1. Identify opportunities to reduce the number of electric and water meters.
2. Provide additional valves to isolate treatment process equipment or remove from service if not needed.
3. Create or update the water model (i.e., pipe networks, hydraulics) for the plant's three water systems to incorporate current demands and re-size piping.
4. Replace and right-size the natural gas systems.
5. Support rehabilitation or replacement recommendations of compressed air piping, potable water, secondary water, screened final effluent, steam, and sewer systems.
6. Develop field-verified documentations for the new (built under this Contract) and existing utilities being assessed.

The condition assessment phase (study phase) of utility excavation and CCTV inspection of sewers, soil testing, leak detections, manhole inspections, and surveying is 85% complete. CCTV insertion in fire hydrants to determine the inside condition of pipes, as well as additional surveying, are the only tasks remaining in the condition assessment phase.

## **WASTEWATER OPERATING SERVICES** (continued)

The preliminary design phase will start in January 2022.



*Typical excavation: different types of utilities (SFE, potable or secondary water, compressed air, natural gas) are exposed in the same excavation, once exposed, typical condition assessment includes soil testing around the pipe, pipe thickness test, surveying-elevation of pipe crown.*



*Sewer Cleaning and inspection include sewer cleaning by jet rodding and power washing for debris, manhole inspection and cleaning for damage or collapsed walls, surveying sewer invert, insertion of a camera and videotaping of inside sewer condition.*

An RFB for the new Facilities Maintenance Services Contract (2102834) was finalized with the General Counsel's Office and Procurement and was advertised in the first week of December 2021. This proposed new contract will replace the current Facilities Maintenance Services Contract (1901658).

Construction of the Sludge Conveyance Improvements project (CON-197), rehabilitation of various sampling stations and Pump Station No.2 Ferric Chloride system (CON-222A), and Rehabilitation of Ferric Chloride system at Pump Station No.1 and Complex B Sludge Lines (Contract 2002190) are all progressing at the site. Several Job Order Contract Tasks are also under construction now.

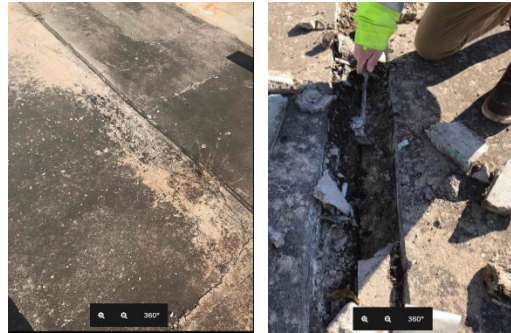
### ***CSO Control Program***

The CSO team is working on the following projects:

CIP 260614, Contract 1902224 – CSO Facilities Structural Improvements Program. All facilities have been inspected as of November 2021. We'd like to sincerely thank CSO Operations & Maintenance, Lakeshore teams, and the Pullman, Wade Trim, and PMA teams for their coordination and collaboration in completing all of the inspections. Prioritization of repairs will occur now, and work at Conner Creek will be properly coordinated with existing east side projects to ensure there is no interference.

## **WASTEWATER OPERATING SERVICES** (continued)

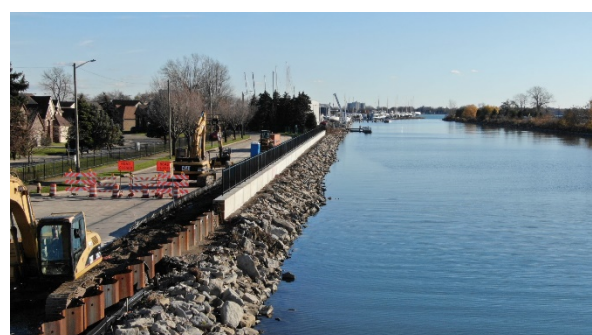
Repair work has begun at Hubbell-Southfield. Below are some photos of defects found and currently being repaired. The picture shown below (left) shows concrete delamination at the control joint. The picture shown below (right) shows damaged concrete below a pre-mold joint.



CIP 260618, Contract 2003330 – Oakwood HVAC Improvements. Conduit installation work is progressing, and steel for the roof modifications is expected to arrive in December 2021 with installation to occur in January or February 2022, perhaps a little ahead of schedule. This project is moving along and currently appears to comply with the schedule.

CIP 260621, Contract 2004666 – Conner Creek Dike Improvements. The contractor will complete concrete wall installation in December 2021 (some weather in November impeded progress). An abandoned sewer located within the project limits was coordinated with DWSD and will be formally abandoned by filling with flowable concrete under this contract. The wall and fencing are progressing. As of November 22, 2021, progress was approximately 60% completed with the wall and fencing.

Below are some photographs of progress. The picture on the left shows the cutoff wall visible the length of the berm, and at the far end, the concrete wall construction is occurring. The picture on the right shows a closeup of the cutoff wall with the concrete wall and fencing installed.



Contract 2100576 – Puritan-Fenkell courtyard access and basin stairs improvements. This project was bid out in November 2021 and is in the process of being awarded.



## **WASTEWATER OPERATING SERVICES** (continued)

This project includes modifications to the courtyard wall to bring it up to current building codes and adds an access door to the courtyard to allow GLWA staff access to the courtyard in case of power failure (currently there are only motorized garage doors permitting access to the space). The generator is in the courtyard and if it doesn't turn on, we have no way of accessing the courtyard and repairing the generator. This project also will replace wooden stairs that are non-compliant to OSHA standards that provide access to the basin for GLWA staff members.

## **WATER OPERATIONS**

### ***Administration***

#### *Certificate of Excellence*

Springwells Water Treatment Plant (SPW) laboratory received "Certificate of Excellence" for getting acceptable values for all proficiency testing samples in recognition of the quality of laboratory in proficiency testing for WS-302, a study that is performed during the period of September 7, 2021 to October 22, 2021.

This certificate of achievement was issued by ERA, A Waters Company. This laboratory has been recognized as a Laboratory of Excellence for achieving 100% acceptable data in this study which included 254 participating laboratories. This achievement is a demonstration of the superior quality of the laboratory in evaluation of the standards listed below:

- Heterotrophic Plate Count
- MicrobE™ (Coliforms)
- Inorganics
- pH
- Turbidity
- Residual Chlorine
- O-Phosphate Nutrients

This is a great achievement for SPW laboratory.

## **WATER OPERATIONS** (continued)

### ***Water Quality***

#### ***Water Quality and Drinking Water Sampling***

The Water Quality Team serves 85 communities with drinking water sampling. These samples are required by the State of Michigan under the Safe Drinking Water Act. The number of samples are based on the population of each community. Water Quality is responsible for 2,868 drinking water samples, total combined from our member partners every month. For example, Water Quality takes 240 drinking water samples a month for Detroit which has a population of 639,111. Another example on the other end of the spectrum is South Rockwood which has a population of 2,675 and, therefore, only requires two water samples a month. These samples are important for GLWA and its member partners to keep delivering water of unquestionable quality. The Water Quality Team is being highlighted here to thank them for what they do to keep the public safe.



***Investigator Team members left to right are: Dekobye Bibb-White, Darius Taylor, Tressia Williams, Curtis Young, Terry Foster and Adedayo Ogunnupe.***

***Investigator Team members not pictured: Deshay Brantley, Feleica Garrett, Joel Newswanger, Jake Wesley, Esther Williams, and Kevin Williams Jr.***

### ***Water Works Park***

#### ***Residual Thickener Auxiliary Transfer Piping***

The primary focus of any water treatment plant is to produce potable and palatable water for the community. While the primary duty of the plant is undeniably important, a second treatment process takes place that is extremely important as well. During the treatment of raw water into drinking water, waste solids are produced. The majority of the solids captured during treatment operations are a result of the sedimentation process. Further along in the treatment process, the filters trap any remaining solids in the water before delivering the water to the customer. The entrapped filter solids are removed in the backwashing process.

The solids gathered from the sedimentation basin and the filter backwash water are transported to a secondary, residuals, treatment facility for processing at Water Works Park. The solids undergo a thickening process in two residuals thickeners to increase the solids concentration and turn loose solids into thickened sludge. Thickened solids fall to the bottom of the residuals thickeners. Operators then pump the thickened solids, sludge at this point, to one or more of four holding tanks. The operations staff then processes the sludge through one of two centrifuges to produce the final solid waste product.

## WATER OPERATIONS (continued)

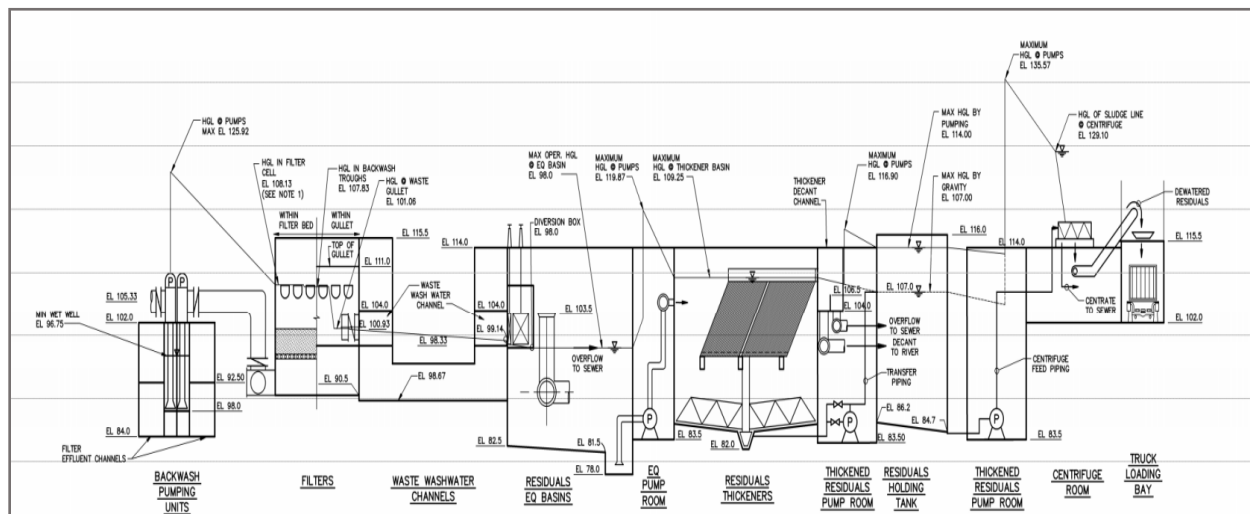


Figure 1: Water Works Park Water Treatment Plant Residuals System

The key to a successful residuals process is controlling the percent solids content at each step of the process. If there is a breakdown in any step, an unsatisfactory end product may be produced. From time to time the operations staff members are required to dewater each of the residuals thickeners for routine cleaning. The operations staff can pump the accumulated sludge at the bottom of the residuals thickener to downstream processes, but they are then left with a large amount of clean water to account for. In the past, sump pumps and hoses have been deployed to move the clean water to the adjacent thickener.

This method works but is labor intensive. At other times, the operations staff member selectively pumps the clean water to a downstream process attempting not to water down the thickened sludge to a point where it is unusable. A seasoned operator can accomplish this task successfully, but it is certainly not an ideal method.

The problem of dealing with the remaining clean water in the residuals thickeners is what the Residuals Thickener Auxiliary Transfer Piping project aimed to solve. During a brainstorming session with plant personnel, an idea was formed to use existing equipment (pumps, piping, valves) and add additional piping and valving to create a solution to the problem. Water Works Park obtained a contractor to install new piping and valving that would allow the operations staff to use existing pumps for a secondary use – to act as dewatering pumps. The new piping and valving gives the plant the ability to move effluent water from one thickener to the influent line of the adjacent thickener. This simple installation results in a more efficient means of dewatering the residuals thickeners and eliminates the possible watering down of downstream thickened sludge.

## **WATER OPERATIONS** (continued)



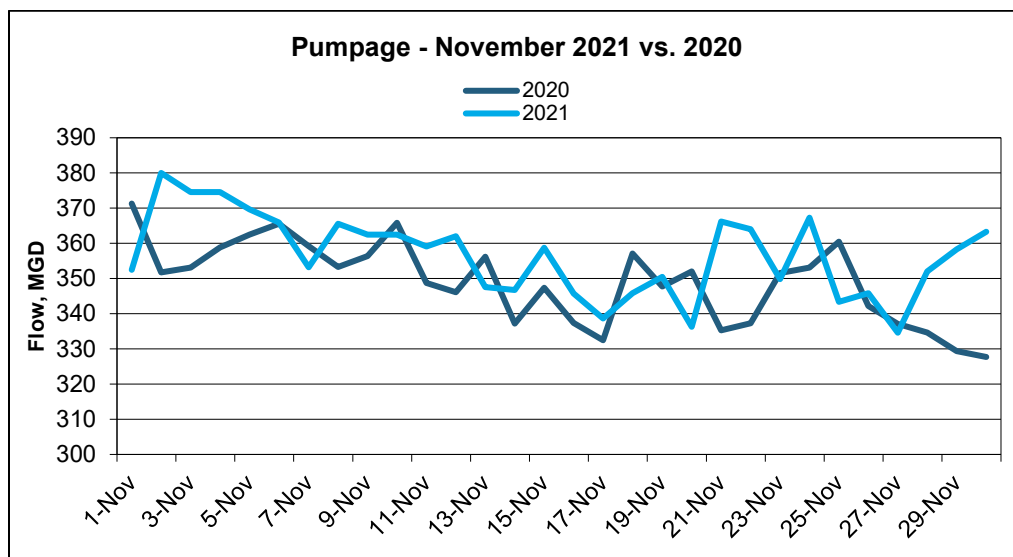
*Figure 2:  
Before condition of residuals transfer piping*



*Figure 3:  
Newly installed piping and valving on residuals lines*

### ***Systems Control Center (SCC)***

November 2021 pumpage was 2% higher than November 2020



### ***Energy, Research & Innovation***

#### ***Monitoring Harmful Algal Blooms***

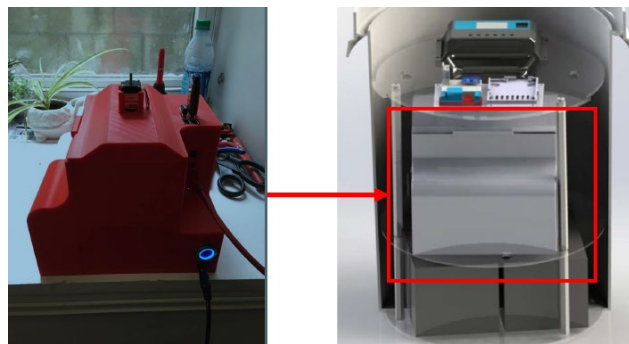
The proposal entitled, "*Autonomous In-Situ Monitoring of Harmful Algal Blooms*," submitted in response to Water Research Foundation's 2021 Tailored Collaboration Program announcement has been selected for funding by The Water Research Foundation. The team is led by Professor Ameet Pinto at Georgia Tech and supported by GLWA, University of Windsor, and LimnoTech.



## **WATER OPERATIONS** (continued)

The project goal is to develop a low-cost, comprehensive monitoring platform that can autonomously collect and transmit data on species-level abundance of algae and cyanobacteria on a real-time basis.

The development and implementation of the Autonomous Real-Time Microbial Scope (ARTiMiS) device will provide in-situ, scalable monitoring of harmful algal blooms to enable real-time accurate observations across diverse surface waters providing much needed data to enhance satellite-based harmful algal blooms monitoring and predictions. The effort will aid strategies to manage and mitigate harmful algal blooms.



*Figure 4: ARTiMiS prototype*

### ***Engineering***

*Contract No. 1803621 Wick Rd. 48" Water Transmission Main - Project Manager: Nick Hoffman*

To date, of the roughly 17,000 linear feet of 48-inch transmission main, 16,600 linear feet has been installed. Currently, the contractor is waiting on GLWA to perform isolation and shutdown of the Wick Road Pumping Station to complete the remaining interconnections to the existing 42-inch transmission main that is in service along Wick Road.

Additional ongoing work includes dewatering for the 250-ft. jack and bore tunnel underneath the CSX railroad. The work, tentatively scheduled to start early December, is postponed. The remaining restoration work, including the final top layer of asphalt, will be placed in Spring 2022 as the interconnections and tunnel need to be complete prior to final paving

## **WATER OPERATIONS** (continued)

The recent 14 Mile Road transmission main break has postponed the Wick Road shutdown until the repair to the 14 Mile Road main is complete.



*Pictured left to right:*

- *Installation of base course asphalt along Wick Road (September 2021)*
- *Completed base course asphalt along Wick Road looking West towards the Wick Road Pumping Stations*



*Pictured left to right:*

- *Installation of 48-inch PCCP transmission main, east of the Wick Road Pumping Station. This existing section of pipe was not originally included in the contract, however during field verification for tie-in to the existing system, it was discovered this section of pipe was not restrained. GLWA initiated a change to encompass this section of pipe including restrained joints to alleviate any future safety issues while maintenance is being performed.*
- *Installation of 36-inch cross connection valve from the new to existing system. This work/shutdown is currently on hold until the 14-Mile break has been repaired and the shutdown can resume.*

## **INFORMATION TECHNOLOGY**

In the past month, the IT Security Team has proactively blocked or thwarted 15,330 spam messages, 6,112 spoofed messages and two (2) viruses. Additionally, 2,470 phishing attempts have been caught and 219 malware attempts have been blocked.

## **INFORMATION TECHNOLOGY** (continued)

The IT Enterprise Asset Management Systems Team, along with the Enterprise Asset Management Group, Procurement, and General Counsel finalized the contracts to implement NEXGEN as GLWA's new Enterprise Asset Management (EAM) system. Implementation kickoff planning is underway and currently planned for early January. This exciting milestone marks the beginning of a journey to drive improved maintenance, field and inventory workflows with modernized and mobile technologies and continued replacement of legacy systems and enhanced processes across GLWA.

The IT Enterprise Asset Management Systems Team, IT Infrastructure Team, IT Business Productivity Systems Team, and IT Customer Service Delivery Team along with Organizational Development (OD) replaced a legacy system, "Identity", with an interface between GLWA's Human Resources Information System, Ceridian Dayforce, and Active Directory (a tool used to manage users' information and access to IT systems). The new integration between these systems enables GLWA to discontinue processes that were manually maintained, improves GLWA's cybersecurity practices, and ensures that select team member information between these systems is consistent.

Currently, the IT Program Management Office is managing 26 active projects and is processing 14 project requests.

## **PUBLIC AFFAIRS**

### ***Apprenticeship Program Featured in the Media***

On December 6, 2021, WJBK-TV Fox 2 aired a story highlighting GLWA's Apprenticeship Program. The report by Reporter Roop Raj highlighted the program and its successful history, and how people can become involved. Interviewed for the story were Chief Administrative and Compliance Officer Bill Wolfson, Organizational Development Manager Patricia Butler and recent apprenticeship graduate Electrical Instrumentation Control Technician-Instrumentation Bilal Bell-Muhammad.

Bilal was able to give a first-hand account of the value the program has added to his life, as well as provide a birds-eye view into all that apprentices can achieve by joining the program. Overall, the story made it clear that working for GLWA is a career you can take pride in and if you want to make a difference in your community, doing it at GLWA is a solid option.

You can watch the report by clicking [HERE](#).

### ***One Water News***

The Public Affairs team has launched a new One Water News report in conjunction with the launch of new weekly Interim CEO Updates.

## **PUBLIC AFFAIRS** (continued)

The One Water News report will replace the bi-weekly COVID-19 Information Recap. With nearly two years having passed since the start of COVID-19, and GLWA's final reconstitution to the office environment for those on flexible work arrangement approaching, the need for weekly COVID-19 Updates has lessened. The new One Water News will still continue to report any important COVID-19 information as needed (including information on the Reconstitution) but will focus on bringing team members important information on topics related to general GLWA business.

### ***GLWA's Annual Giving Back Program***

Public Affairs has led another successful annual holiday giving back program. From November 15<sup>th</sup> through December 6<sup>th</sup> team members were asked to help our veterans by donating to the Piquette Square project in Detroit. Managed by Southwest Solutions, Piquette Square is a 150-unit apartment project in Detroit to house and care for homeless veterans from throughout southeast Michigan. It offers comprehensive support services to help veterans develop self-sufficiency and reintegrate into the community. Piquette Square offers mental health services, counseling, substance abuse treatment, onsite job training, computer labs, educational programs and other support services to help the veterans develop healthy and independent living skills. Recently, Piquette Square has extended their services to support family members of veterans as well. We hope to have an estimate of the funds team members donated next month.

### ***MI-AWWA Media Workshop***

The MI-AWWA Communications Council, chaired by Public Affairs Specialist Aftab Borka, successfully conducted its third media workshop in December. The topics covered in this workshop were crisis communication during a flooding event and cyber security in the water sector. After conducting three such virtual workshops for the members, the council is looking into the possibility of conducting their next workshop in person, given the conditions are right and in accordance with the State guidelines.

### ***Severe Weather Alert Graphic***

Public Affairs created a new severe weather graphic that will be used when the Authority issues alerts to the public about impending bad weather.



## **PUBLIC AFFAIRS** (continued)

The graphic (shown right) is intended to grab the attention and make sure people know about the possibility of a severe weather event. It will be used on our website as well as social media channels.



## ***Happy Holidays***

As we prepare to celebrate the holiday season, the Public Affairs team wanted to wish team members happy holidays and a happy new year in a fun way. Graphics were created using our mascot Splash with a festive winter background. We hope this helps lift spirits as we prepare to ring in 2022.



## **SECURITY AND INTEGRITY**

The Hazmat Unit coordinated and completed a total of 279 hours of training during the month.

The Security and Integrity Group continues participating in the daily Emergency Operations Center's ongoing COVID-19 Pandemic briefings.

The Group is continuing to roll out the updated Emergency Response Program with training the Executive Leadership Team and alternate responding managers.

Lastly, the Group participated in the emergency response to the Oakland County Emergency Operations Center for the 14 Mile Road water main break.

## **ORGANIZATIONAL DEVELOPMENT**

### ***Performance, Progression and Apprenticeships***

#### ***Michigan Industry Cluster Approach 3.0 (MICA 3.0) Grant***

On November 19, 2021, Governor Gretchen Whitmer and the Michigan Department of Labor and Economic Opportunity (LEO) awarded Focus: HOPE a \$250,000 MICA 3.0 grant to establish an Employer-Led Collaborative (ELC).

This ELC will primarily support Southeast Michigan and integrate the Talent Pipeline Management (TPM) system and framework to fill high-demand manufacturing services' jobs, including the water sector, with well-trained, skilled workers.

GLWA worked closely with Focus: HOPE during the grant writing process and helped recruit other employers, specifically GLWA's member partners, to the ELC. GLWA will be the lead employer for the ELC, called the Industrial Training Employers' Association of Michigan (ITEAM). ITEAM will benefit from leadership and input from the Detroit Economic Solutions Corporation, Henry Ford College, Macomb Community College, Wayne RESA, Detroit Water and Sewerage Department, Southeastern Oakland County Water Authority, Oakland County Water Resources Commissioner's Office, City of Dearborn Department of Public Works Water & Sewerage Division, Cranbrook Institute of Science's Freshwater Forum, other employers, labor organizations and related associations.

#### ***Apprenticeships***

GLWA celebrated National Apprenticeship Week with a virtual appreciation event on Thursday, November 18, 2021. The event began with remarks from ICEO Suzanne Coffey. Speakers included US Department of Labor Apprenticeship and Training Representative, Marc DeCoster, Apprentice graduate and EICT-Instrumentation, Bilal Bell-Muhammad, EICT-Electrician Journey Worker Stephen Shuk, Team Leader Aaron Butler, and Adino May and Patricia Butler, from GLWA's Organizational Development Apprenticeship Team. Jason Hammond, Management Professional and Electrician Master of Record, was recognized for his unwavering support of the EICT-Electrician apprenticeship program. During the Open Remarks portion of the program, Kevin Green, Focus: HOPE Manager, shared the importance of the partnership between Focus: HOPE and GLWA and the positive impact apprenticeships have on the community we serve.

Bill Wolfson, Chief Administrative and Compliance Officer (CACO), closed the program by presenting current apprentices with GLWA swag including GLWA winter beanies, and presenting apprentices and journey workers with job specific stickers for their hard hats.

#### ***Professional Development Certification Program***

Team Leaders, Chemists represented by SWSCA, and Maintenance Technicians represented by Building Trades Council (BTC) participated in the Professional Development Certification Program during October and November.

## **ORGANIZATIONAL DEVELOPMENT** (continued)

At present, a total of 99 team members are eligible to receive a certification stipend for submitting a valid and job classification specific to Michigan Department of Environment, Great Lakes, and Energy (EGLE) certification. The certification stipend is scheduled to be paid in December.

### ***Progression***

The 2021 Progression Cycle was launched on November 18, 2021, and is scheduled to conclude on January 12, 2022. Progression is GLWA's process for Team Member advancement within designated job classifications based on established skill levels.

### ***Talent Management***

#### ***Staffing***

The table below provides a breakdown of GLWA Team Members since the last ICEO report:

Number of New Hires	11
Number of Separations	5
Total Staffing - Regular FTEs (YTD)	1004

### ***Benefits/Wellness***

In December, we introduced Purchasing Power, a team member purchasing program. It allows team members to purchase products they may need and pay for over time through payroll deduction. While not a discount program, Purchasing Power is a reliable alternative method for team members to purchase computers, appliances, etc.

### ***Training***

During the month of **November**, **151** GLWA team members completed **11** non-safety courses and **26** safety courses. A total of **seven** GLWA team members and **one** member partner completed **11** online 360Water courses.

## **FINANCIAL SERVICES AREA**

### ***November 2021 Audit Committee Recap***

The regularly scheduled November Audit Committee meeting was rescheduled and held on Monday, December 6, 2021. The GLWA Audit Committee binders are publicly available at [www.glwater.org](http://www.glwater.org). The meeting included the following topics.

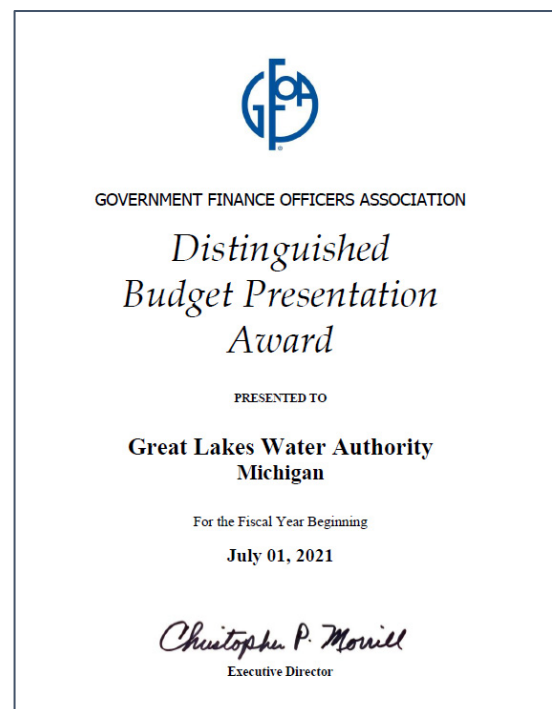
## **FINANCIAL SERVICES AREA** *(continued)*

- ✓ Presentation of the preliminary June 30, 2021 annual financial report results.
- ✓ Discussion regarding FY 2022 first quarter budget amendments.
- ✓ Introduction of a proposed, GLWA financial advisor contract amendment.
- ✓ Review of the July and August Monthly Financial Reports (Executive Summaries attached).
- ✓ Highlights of monthly Business Inclusion and Diversity program activities.
- ✓ Presentation of the Quarterly Investment Report for the period ending September 30, 2021.
- ✓ Distribution of the latest Procurement Pipeline.

### ***Annual Budget & Charges Planning***

The proposed FY 2023 & FY 2024 biennial budget and FY 2023 charges proposal will be presented to the GLWA Audit Committee on December 17, 2021. Charges rollout meetings with our Member Partners will be scheduled for January 6<sup>th</sup> and 20<sup>th</sup>, 2022.

***GLWA Receives the GFOA Budget Award!*** On December 9, 2021, we received notification that the current year's biennial budget (FY 2022 & FY 2023) received the Government Finance Officers Association's (GFOA) prestigious Distinguished Budget Presentation Award.



### ***Transformation Team Updates***

**5S Audit Process** - The Transformation Team have been busy conducting 5S Sustain audits in the WRRF Pump Station #1 and WRRF 2<sup>nd</sup> Floor Lab. 5S consist of five phases: Sort, Set in Order, Shine, Standardize, and Sustain. This Lean Six Sigma methodology results in a workplace that is clean, uncluttered, safe, and well organized to help reduce waste and optimize productivity. Sustain is the final phase and considered to be the most critical out of all the phases.

Developing a robust audit process is what will sustain the gains made in the previous four 5S phases. This audit process will help ensure that the workplace is consistently following a documented procedure and reinforcing conformance with 5S principles.

## **FINANCIAL SERVICES AREA** (continued)

***Transformation developed a 5S audit process using a simple grading system:***

1	RED	0%-39%
2	YELLOW	40% -89%
3	GREEN	90%-100%

All audit scores below a 3 requires the auditor/team member conducting the audit to upload comments, suggestion for improvement, or a simple explanation to a file on OWC. These comments are reported and monitored by Transformation and the Leadership of the 5S area. The goal for documenting these scores and comments is to improve the specified area before the next monthly audit and to make GLWA better as an organization. Ultimately, the audit process will help improve safety in the area, create a culture of continuous improvement, and boost team member morale.

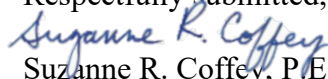
**Visual Management** - The Transformation team has done a lot of positive work in visual management, in some key areas across the organization. Visual Management is sometimes called visual controls, which is a method of managing a business that uses visual signals to communicate important information. These visuals can include foot printing, diagrams, pictograms, color- coding, floor markings and more. This type of management allows team members to quickly understand information being conveyed. Transformation's goal is to use these management techniques to make it possible for everyone in the workplace to have a common language and to understand the current state of work. (Also known as ***Management at a Glance.***) Visual management drives better conversation and improved leadership.

### **Benefits of Visual Management**

Improved safety & ergonomics	Real time updates	Improved efficiency
Continuous Improvement	Improved Process Flow	Improved Morale
Reduces miscommunication	Team member participations	Organization & less clutter

The General Counsel's December, 2021 Report is an attachment to the Interim Chief Executive Officer's Report.

Respectfully submitted,

  
Suzanne R. Coffey, P.E.

Interim Chief Executive Officer

SFM/dlr

Attachments

- General Counsel's December, 2021 Report
- Audit Committee Executive Summaries
- The Procurement Pipeline



**Office of the General Counsel – December 16, 2021**

- ***COVID-19:*** The Office supports GLWA’s response to the COVID-19 pandemic, including participating in GLWA’s COVID-19 Task Force, review of COVID-19 related laws, rules and public health orders.
- ***NPDES/Air Quality ACO Dismissal:*** The Office assisted in preparing documents to have the ACO’s dismissed. On September 29, 2021, GLWA received termination of the Air Quality ACO.
- ***Legislative Updates:*** The Office is also monitoring infrastructure spending bills at the federal and state level.
- ***Gordie Howe International Bridge:*** GLWA submitted its relocation reimbursement request to MDOT and received MDOT’s response. GLWA is appealing MDOT’s decision.
- ***June and July Rain Events:*** The Office is providing legal support in response to the significant rain events in June and July. To date, 10 lawsuits were filed against GLWA related to the rain events.
- ***Trenton Water Main:*** The Office is negotiating the transfer of the 24-inch water main to GLWA.
- ***Training:*** Office members attended the following training opportunities “What Employers need to know about the OSHA Emergency Standard;” “2021 Fall Joint Conference presented by the State Bar of Michigan Environmental Law Section;” and the “CMS Vaccine Mandate Lawsuits create further Uncertainty for Employers.”
- ***Contract Negotiations:*** GLWA will attempt to secure long term contracts with all communities that are not on the model contract. The Office is working with member partners to draft a new model sewer contract.
- ***Environmental and Workplace Safety Compliance:*** The Office continues to work with the COO and team leaders from both the water and sewer systems to comply with regulations and to respond to any alleged violations.
- ***Record Retention Policy:*** The Office is drafting a record retention policy for GLWA.
- ***Industrial Pretreatment Program:*** The Office continues to work with the Industrial Waste Control (“IWC”) Group and external stakeholders on finalizing and implementing an updated IPP. To date, 99% of the communities have passed a concurring resolution and GLWA made a presentation to the City of Highland Park’s City Council, which is the only community that has not passed a concurring resolution. The Office is also providing assistance on PFAS and PFOS matters.

- **Real Estate:** The Office is negotiating easements related to support the Baby Creek CSO infrastructure improvement project. The Office is negotiating the acquisition of property for the Newburgh pump station. The Office is negotiating easements related to 96" watermain relocation and the Woodward Sewer Project. The Office is negotiating a purchase agreement for 235 McKinstry.
- **Member Outreach:** The Office continues to be an active participant in Member Outreach sessions.
- **Main Relocations:** The Office continues to support water operations in its discussions with community stakeholders regarding water main relocations.
- **Civil Litigation and Arbitrations:** The Office continues to vigorously defend actions against GLWA, including a class action lawsuit regarding IWC charges. In the *Moyer v GLWA* case, GLWA received a no cause of action jury verdict.
- **Labor Relations:** The Office continues to provide legal advice to Organizational Development on labor relations and employment matters.
- **Procurement:** The Office continues to assist GLWA's Procurement Team negotiate contracts, change orders and amendments and interpret contractual provisions. The Office is also assisting with the Procurement Policy's Procedures and updating GLWA's template contracts. The Office is part of a cross-functional team working to complete significant revisions to the GLWA construction contract, including consideration of using an entirely new contract format.

- **Statistics:**

	#
Contracts approved as to form:	23
Contracts drafted or revised:	69
Subpoenas/Information requests received:	7
Subpoenas/Information responded to:	5

## Key Financial Metrics

The table below provides key report highlights and flags the financial risk of a budget shortfall by year-end as follows:

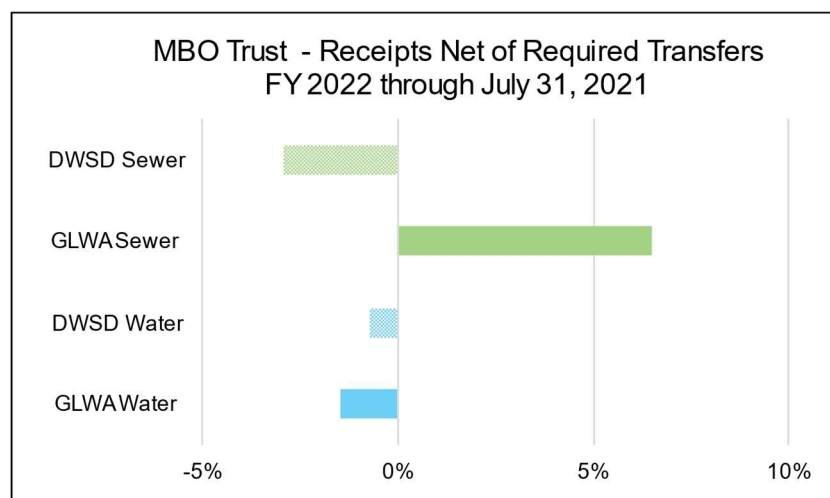
No Risk (green) - Potential (yellow) - Likely (red)

Each variance is monitored by the Great Lakes Water Authority (GLWA) management and, where appropriate, operating and/or budget priorities are re-evaluated. Budget amendments are prepared and presented quarterly based on most current information.

As of July 31, 2021				
Metric	FY 2022 Budget	FY 2022 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Billed Revenue (\$M)	\$33.3	\$29.6	-11%	47
Wholesale Water Billed Usage (mcf)	1,677,000	1,343,000	-20%	
Wholesale Sewer Billed Revenue (\$M)	\$22.6	\$22.6	0%	49
Wholesale Water Operations & Maintenance (\$M)	\$12.0	\$10.8	-10%	5
Wholesale Sewer Operations & Maintenance (\$M)	\$15.1	\$12.0	-21%	
Investment Income (\$M)	\$0.25	\$0.3	20%	37
Water Prorated Capital Spend w/SRA* (\$M)	\$11.0	\$13.0	18%	28
Sewer Prorated Capital Spend w/SRA* (\$M)	\$7.0	\$5.0	-29%	29

\*SRA refers to the capital spending ratio assumption which allows capital program delivery realities to align with the financial plan.

## Master Bond Ordinance (MBO) Trust Net Receipts (page 52)



Net cash flow receipts remain positive for GLWA and Sewer while Water reports a slight shortfall. This means that all legal commitments of the MBO Trust and the lease payment are fully funded for Sewer – and that positive cash flow is available for additional capital program funding in subsequent year(s). Looking ahead, GLWA Water

receipts improved, and the current shortfall was alleviated in August 2021. DWSD Water and Sewer report a shortfall of \$61 thousand and \$707 thousand respectively through July 2021. On August 26, 2021, the DWSD Board of Water Commissioners proactively adopted budget amendments to address potential shortfalls for FY 2022. These budget amendments will be reflected in the October 2021 report.

The current DWSD loan receivable balance for fiscal year 2018 is \$7.6 million.

### **Budget to Actual Analysis (page 3)**

- FY 2022 information reflects the budget as it was approved by the GLWA Board on March 24, 2021.
- The total Revenue Requirements are on target through July 2021.
- The total Operations & Maintenance expenses are at 7.0% of budget through July 2021.

### **Basic Financial Statements (page 9)**

- The Basic Financial Statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income for July 2021 is \$10.3 million for the Water fund (32.9% of total revenues) and \$14.4 million for the Sewer fund (36.4% of total revenues).
- Water Net Position increased by \$1.7 million, and Sewage Disposal Net Position increased by \$3.8 million for the year to date through July 2021.

### **Capital Improvement Plan Financial Summary (page 27)**

- Water systems exceeded the 75% Capital Spend Ratio assumption.
- Sewer systems achieved 70% of the 75% Capital Spend Ratio assumption.

### **Master Bond Ordinance Transfers (page 30)**

- For July, transfers of \$13.6 million and \$17.6 million were completed for the GLWA Water and Sewer funds, respectively.
- Also for July, transfers of \$4.6 million and \$8.3 million were completed for the DWSD Water and Sewer funds, respectively.

### **Cash Balances & Investment Income (page 36)**

- Total cash & investments are \$391 million in the Water fund and \$417 million in the Sewer fund.
- The total combined cumulative investment income for FY 2022 through July is \$0.3 million.

### **DWSD Retail Revenues, Receivables & Collections (page 41)**

- Water usage through July 31, 2021 is at 108.86% and revenues at 101.01% of budget.
- Sewer usage through July 31, 2021 is at 94.29% and revenues at 95.72% of budget.
- Combined accounts receivable balances for the water and sewer funds report an increase of \$33.5 million over the prior year.
- Past dues over 180 days make up 67.0% of the total accounts receivable balance. The current bad debt allowance covers nearly 100% of past dues over 60 days.

### **GLWA Wholesale Billing, Receivables & Collections (page 46)**

- GLWA accounts receivable past due balance net of Highland Park is less than 7.0% of the total accounts receivable balance, with the majority of that balance related to one water account dispute currently under discussion.
- The Highland Park past due balance is \$49.1 million. It includes \$37.5 million for wastewater treatment services, \$1.8 million for industrial waste control services, and \$9.8 million for water supply services. In FY 2022, Highland Park has not made a payment through July 2021 which currently falls short of anticipated payments. The GLWA Legal team is pursuing options for additional collections.

**Questions?** Contact the Office of the Chief Financial Officer at [CFO@glwater.org](mailto:CFO@glwater.org)

## Key Financial Metrics

The table below provides key report highlights and flags the financial risk of a budget shortfall by year-end as follows:

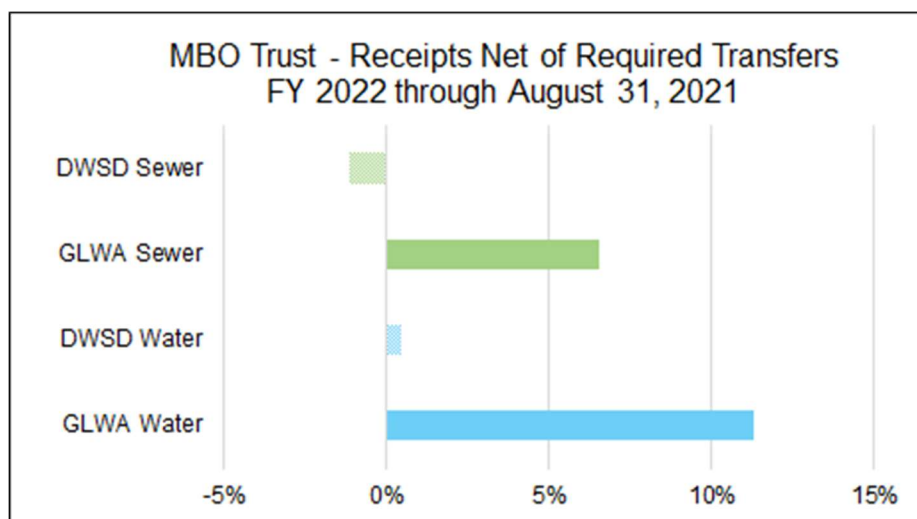
No Risk (green) - Potential (yellow) - Likely (red)

Each variance is monitored by the Great Lakes Water Authority (GLWA) management and, where appropriate, operating and/or budget priorities are re-evaluated. Budget amendments are prepared and presented quarterly based on most current information.

As of August 31, 2021				
Metric	FY 2022 Budget	FY 2022 Actual	Variance from Financial Plan	Report Page Reference
Wholesale Water Billed Revenue (\$M)	\$64.9	\$60.2	-7%	47
Wholesale Water Billed Usage (mcf)	3,186,000	2,760,000	-13%	
Wholesale Sewer Billed Revenue (\$M)	\$45.2	\$45.2	0%	49
Wholesale Water Operations & Maintenance (\$M)	\$24.0	\$20.8	-13%	5
Wholesale Sewer Operations & Maintenance (\$M)	\$30.2	\$25.6	-15%	
Investment Income (\$M)	\$0.5	\$0.8	54%	37
Water Prorated Capital Spend w/SRA* (\$M)	\$22.5	\$23.7	5%	28
Sewer Prorated Capital Spend w/SRA* (\$M)	\$13.5	\$10.2	-24%	29

\*SRA refers to the capital spending ratio assumption which allows capital program delivery realities to align with the financial plan.

## Master Bond Ordinance (MBO) Trust Net Receipts (page 52)



Net cash flow receipts remain positive for GLWA Water and Sewer. This means that all legal commitments of the MBO Trust and the lease payment are fully funded – and that positive cash flow is available for additional capital program funding in

subsequent year(s). DWSD Water reports a net receipt surplus of \$78 thousand and DWSD Sewer reports a shortfall of \$565 thousand through August 2021. On August 26, 2021, the DWSD Board of Water Commissioners proactively adopted budget amendments to address potential shortfalls for FY 2022. These budget amendments will be reflected in the October 2021 report.

The current DWSD loan receivable balance for fiscal year 2018 is \$6.9 million.



### **Budget to Actual Analysis (page 3)**

- FY 2022 information reflects the budget as it was approved by the GLWA Board on March 24, 2021.
- The total Revenue Requirements are on target through August 2022.
- The total Operations & Maintenance expenses are at 14.3% of budget through August 2021.

### **Basic Financial Statements (page 10)**

- The Basic Financial Statements are prepared on a full accrual basis and reflect preliminary, unaudited results.
- Operating income for August 2021 is \$22.2 million for the Water fund (34.9% of total revenues) and \$27.1 million for the Sewer fund (34.2 % of total revenues).
- Water Net Position increased by \$6.5 million, and Sewage Disposal Net Position increased by \$7.0 million for the year to date through August 2021.

### **Capital Improvement Plan Financial Summary (page 27)**

- Water systems exceed the 75% Capital Spend Ratio assumption.
- Sewer systems did not meet the 75% Capital Spend Ratio assumption.

### **Master Bond Ordinance Transfers (page 30)**

- For August, transfers of \$13.6 million and \$17.6 million were completed for the GLWA Water and Sewer funds, respectively.
- Also for August, transfers of \$4.6 million and \$8.3 million were completed for the DWSD Water and Sewer funds, respectively.

### **Cash Balances & Investment Income (page 36)**

- Total cash & investments are \$416 million in the Water fund and \$432 million in the Sewer fund.
- The total combined cumulative investment income for FY 2022 through August is \$0.8 million.

### **DWSD Retail Revenues, Receivables & Collections (page 41)**

- Water usage through August 31, 2021 is at 110.70% and revenues at 102.02% of budget.
- Sewer usage through August 31, 2021 is at 102.29% and revenues at 99.28% of budget.
- Combined accounts receivable balances for the water and sewer funds report an increase of \$33.2 million over the prior year.
- Past dues over 180 days make up 67.0% of the total accounts receivable balance. The current bad debt allowance covers nearly 100% of past dues over 60 days.

### **GLWA Wholesale Billing, Receivables & Collections (page 46)**

- GLWA accounts receivable past due balance net of Highland Park is 7.2% of the total accounts receivable balance, with the majority of that balance related to one water account dispute currently under discussion.
- The Highland Park past due balance is \$49.7 million. It includes \$38.0 million for wastewater treatment services, \$1.8 million for industrial waste control services, and \$9.9 million for water supply services. Highland Park has not made a payment for FY 2022 through August 2021. The GLWA Legal team is pursuing options for additional collections.

**Questions?** Contact the Office of the Chief Financial Officer at [CFO@glwater.org](mailto:CFO@glwater.org)

Welcome to the November edition of *The Procurement Pipeline*, a monthly newsletter designed to provide updates on doing business with the Great Lakes Water Authority (GLWA).

### **Procurement Tip of the Month: Communicating with GLWA during the Solicitation Process**

An open, competitive procurement process enables vendors to compete to do business with GLWA in a fair and transparent environment. One of the most important ways to achieve this is to ensure that all participating vendors have access to the same information during the solicitation process.

Once a solicitation has been advertised in GLWA's [Bonfire Procurement Portal](#), vendors **must** direct all communications regarding the project to the GLWA Buyer identified in the solicitation documents. Maintaining one, centralized point of contact throughout the formal solicitation period is key to establishing a level playing field for all vendors submitting a solicitation response and to protecting the integrity of the procurement.

Vendors with inquiries about an active solicitation in Bonfire may use the following opportunities to communicate with GLWA:

- ✓ **Pre-Bid/Proposal Meetings** — provide vendors with the chance to learn more about the project and to ask the GLWA Buyer and Project Manager questions. Dates and meeting locations for pre-bid/proposal meetings are always listed on the solicitation's Bonfire page.
- ✓ **Question and Answer Period** — up until the questions due date listed on the solicitation's Bonfire page, vendors may submit any questions they have in writing to the solicitation's Bonfire page. Questions are answered by the GLWA Buyer in an addendum posted to Bonfire.

In addition, please note that once a solicitation has closed and a contract been awarded, vendors not selected for award may elect to request a vendor debrief meeting with GLWA Procurement to gain insight for improving future solicitation responses.

### **A Happy Thanksgiving from the GLWA Procurement Team!**

The GLWA Procurement Team wishes the Vendor Community a safe, happy, and healthy Thanksgiving! We are very thankful for the Vendor Community and all that you do—you make it possible for GLWA to fulfill its mission of providing water of unquestionable quality to the communities we serve in southeastern Michigan.

### **Reminder: Visitor COVID-19 Access Requirements and Safety Protocols to Remain in Effect Until Further Notice**

On August 24, 2021, GLWA issued [Coronavirus Update #137](#) to the vendor community stating that all current Visitor COVID-19 Access Requirements will remain in effect until further notice. For a full overview of GLWA's Visitor COVID-19 Access Requirements, please review [Coronavirus Update #137](#). Any additional questions may be directed to [Michael Lasley](#) and [Megan Savage](#).

### **Virtual Vendor Introduction Meetings with GLWA**

If you are interested in learning more about doing business with GLWA, contact us at [GLWAVendorOutreach@glwater.org](mailto:GLWAVendorOutreach@glwater.org) to schedule a vendor introductory meeting. Topics include helpful information on submitting a competitive bid or proposal to a GLWA solicitation, as well as the requirements for GLWA's Business Inclusion and Diversity (B.I.D.) Program.

### **What's Coming Down the Pipe?**

**Current Solicitations:** Be sure to register in GLWA's [Bonfire Procurement Portal](#) for new solicitations and contract award information.

**Upcoming Procurements: Next Three to Nine Months**—See newsletter pages 2-3.

### **Visit GLWA online!**

To see the GLWA Vendor homepage, please visit [www.glwater.org](http://www.glwater.org) or contact us via email at [procurement@glwater.org](mailto:procurement@glwater.org).

# Upcoming Solicitations November 2021

Category	Description	Budget Estimate
<b>Water System (next three months)</b>		
N/A	N/A	N/A
<b>Wastewater System (next three months)</b>		
Construction	HAZMAT (Hazardous Material) Building Renovation (CIP #216010)	\$1,500,000
Professional Services	Virtual Tour and Laser Scanning Services	\$1,000,000
Request for Qualifications	WRRF Rehabilitation of Intermediate Lift Pumps (ILPs) 1 & 2 and Modifications to Aeration Decks 1 & 2 to Incorporate Biological Phosphorus Removal and Step Feed (CIP #212008)	\$60,000,000
<b>Water System (next four to nine months)</b>		
Materials & Equipment	Springwells WTP Pumping Unit Procurement Package (CIP#114002 Contracts E thru G)	\$56,000,000
Materials & Equipment	Springwells WTP Process Valve Procurement Package (CIP#114002 Contracts H thru I)	\$12,500,000
<b>Wastewater System (next four to nine months)</b>		
Construction	Pump Station #1 Screenings Building HVAC Improvements (CIP #211006)	\$1,000,000
Construction	Connor Creek Sewer System Rehabilitation (CIP #260208)	\$40,000,000
Construction	WRRF Pump Station #1 Improvements (CIP #211006)	\$55,000,000
Design Build	WRRF Structural Improvements (CIP #216011)	\$12,000,000
Design	Architectural & Safety Improvements to CSO Facilities (CIP #260600)	\$1,400,000
Design	Hubbell Southfield Flushing and Facility Improvements (CSO) (CIP #273001)	\$5,500,000
Design	Baby Creek and Belle Isle Facilities Control Improvements (CSO) (CIP #270006)	\$502,500
Construction	Freud Pump Station Improvements (CIP #232002)	\$75,000,000
<b>Projects moved to Procurement Team (Preparing for solicitation on Bonfire)</b>		
Construction	WRRF Administration Building 4 <sup>th</sup> Floor Renovation (Old CIP #216010, New CIP #260902)	\$3,250,000
Construction	Generator Improvements (Controls upgrades, Generator modifications) (CSO) (CIP #2606022)	\$2,000,000
Maintenance Services	Facilities Maintenance Services (O&M)	\$25,500,000
Progressive Design Build	Lake Huron Water Treatment Plant, Filter Instrumentation and Raw Water Metering Improvements (CIP #111006)	\$22,000,000
Design Build	Sewer Rehabilitation and Repair (CIP #260209)	\$12,200,000
Professional Services	SCADA System Professional Services (O&M)	\$5,500,000
Progressive Design Build	Lake Huron Water Treatment Plant: Progressive Design Build of Instrumentation and Control Improvements (CIP #111006)	\$25,000,000

Vendors should continue to monitor [Bonfire](#) for solicitation updates.

Acronyms		
<b>WRRF:</b> Water Resource Recovery Facility	<b>CSO:</b> Combined Sewer Overflow	<b>WTP:</b> Water Treatment Plant